

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

In the Matter of:

Lanagan Post Office
Lanagan, Missouri 64847

Docket No. A2012-62

UNITED STATES POSTAL SERVICE
COMMENTS REGARDING APPEAL
(January 4, 2012)

On November 8, 2011, the Postal Regulatory Commission (Commission) received an appeal postmarked, October 17, 2011 from postal customers David and Donna Willet ("Petitioners") objecting to the discontinuance of the Post Office at Lanagan, Missouri.¹ On November 23, 2011, the Commission issued a Form 56, Notice of Filing under 39 U.S.C. § 404(d). In accordance with this Notice, the administrative record was filed with the Commission on November 23, 2011. On November 28, 2011, the Commission issued Order No. 1003, its Notice and Order Accepting Appeal and Establishing Procedural Schedule under 39 U.S.C. § 404(d). The following is the Postal Service's answering brief in support of its decision to discontinue the Lanagan, Missouri Post Office.

The Postal Service will discuss two main issues: (1) the effect on postal services, and (2) the impact upon the Lanagan community. As reflected in the administrative record of this proceeding, the Postal Service gave these issues serious consideration. In addition, consistent with the Postal Service's statutory obligations and

¹ This discontinuance was conducted pursuant to Handbook PO-101, dated August 2004, and updated with Postal Bulletin revisions through August 2, 2007.

Commission precedent,² the Postal Service gave consideration to a number of other issues, including economic savings and the impact upon postal employees.

Accordingly, the determination to discontinue the Lanagan Post Office should be affirmed.

Background

The Final Determination To Close the Lanagan, MO Post Office and Continue to Provide Highway Contract Route Service (“Final Determination” or “FD”), as well as the administrative record, indicate that the Lanagan Post Office provides EAS-11 level service to 172 Post Office Box customers, 22 general delivery customers via Highway Contract Route (“HCR”), and retail customers 40.5 hours per week. FD at 2; Item No. 18, (Form 4920) Post Office Closing or Consolidation Proposal Fact Sheet (“Fact Sheet”), at 1; Item No. 41, Revised Proposal, at 2.³ The postmaster of the Lanagan Post Office retired on October 1, 2008. Since the postmaster vacancy, a noncareer employee was installed as the temporary officer-in-charge (OIC) to operate the office. Upon implementation of the final determination, the noncareer OIC may be separated from the Postal Service.⁴ The average number of daily retail window transactions at the Lanagan Post Office is 21. Revenue has generally been low: \$50,916.00 in FY 2008 (133 revenue units); \$32,794.00 in FY 2009 (86 revenue units); and \$30,313.00 in FY

² See 39 U.S.C. 404(d)(2)(A).

³ The Final Determination can be found at Item 47 in the administrative record. All citations to the Final Determination will be to “FD at __,” rather than to Item 47. The Final Determination is not paginated however, the round-date stamped cover sheet will serve as page number 1. Other items in the administrative record are paginated in the upper left hand corner and are referred to as “Item No. ____.”

⁴ FD at 10; Item No.33, Proposal, at 10; Item No. 41, Revised Proposal, at 11.

2010 (79 revenue units).⁵ The Lanagan Post Office has no meter or permit customers. FD at 2; Item No. 18, Fact Sheet; Item No. 33, Proposal, at 2; Item No. 41, Revised Proposal, at 2.

Upon implementation of the final determination, delivery and retail services will be provided by HCR delivery administered by the Pineville Post Office, an EAS-16 level office located six miles away, which has 226 available Post Office Boxes. FD at 2; Item No. 18, Fact Sheet; Item No. 41, Revised Proposal, at 2. This service will continue upon implementation of the Final Determination. FD at 2.

The Postal Service followed the proper procedures which led to the posting of the Final Determination. All issues raised by the customers of the Lanagan Post Office were considered and properly addressed by the Postal Service. The Postal Service complied with all notice requirements. In addition to the posting of the Proposal and Final Determination, customers received notice through other means. Questionnaires were distributed to delivery customers of the Lanagan Post Office. Questionnaires were also available over the counter for retail customers at Lanagan. FD at 2; Item No. 20, Questionnaire Instruction Letter from P.O. Review Coordinator to OIC/Postmaster at Lanagan Post Office, at 1. A letter from the Manager of Post Office Operations, Kansas City, MO, was also made available to postal customers, which advised customers that the Postal Service was evaluating whether the continued operation of the Lanagan Post Office was warranted, and that effective and regular service could be provided through HCR delivery and retail services available at the Pineville Post Office. The letter invited

⁵ FD, at 2; Item No. 18, Fact Sheet; Item No. 41, Revised Proposal, at 2.

customers to complete and return a customer questionnaire and to express their opinions about the service they were receiving and the effects of a possible change involving HCR delivery. Item No. 21, Letter to Customer, at 1. The returned customer questionnaires and Postal Service response letters appear in the administrative record in Item No. 22. In addition, representatives from the Postal Service were available at the Lanagan City Hall for a community meeting on May 31, 2011, to answer questions and provide information to customers. FD at 2; Item No. 21, Letter to Customer, at 1; Item No. 24, Community Meeting Roster; Item No. 25, Community Meeting Analysis; Item No. 41, Revised Proposal, at 2. Customers received formal notice of the Proposal and Final Determination through postings at nearby facilities. The Proposal was posted with an invitation for public comment at the Lanagan, Pineville⁶, and Anderson⁷, Post Offices from June 25, 2011 to August 26, 2011. FD, at 2; Item No. 36, Round-date stamped Proposal and Invitation for Comments from affected offices; Item No. 41, Revised Proposal, at 2. The Final Determination was posted at the same three Post Offices starting on October 7, 2011, as confirmed by the round-dated Final Determination cover sheets that appear in the administrative record.⁸

In light of the postmaster vacancy, minimal workload, low office revenue,⁹ the variety of delivery and retail options (including the convenience of HCR delivery and

⁶ The Pineville Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>.

⁷ The Anderson Post Office is not a candidate facility within the Retail Access Optimization Initiative (RAOI). See Docket No. N2011-1, USPS LR-N2011-1/11 Rev 1, at <http://www.prc.gov/prc-pages/library/detail.aspx?docketId=N2011-1&docketPart=Documents&docid=75971&docType=Library%20References&attrID=&attrName=>.

⁸ Item No. 49, Round-date stamped Final Determination coversheets from affected offices.

⁹ See note 5 and accompanying text,

retail service),¹⁰ very little recent growth in the area,¹¹ minimal impact upon the community, and the expected financial savings,¹² the Postal Service issued the Final Determination.¹³ Regular and effective postal services will continue to be provided to the Lanagan community in a cost-effective manner upon implementation of the final determination. FD at 2.

Each of the issues raised by the Petitioners is addressed in the paragraphs which follow.

Effect on Postal Services

Consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iii) and as addressed throughout the administrative record, the Postal Service considered the effect of closing the Lanagan Post Office on postal services provided to Lanagan customers. The closing is premised upon providing regular and effective postal services to Lanagan customers.

The Petitioners, in their letter of appeal, raise the issue of the effect on postal services of the Lanagan Post Office's closing, noting the convenience of the Lanagan Post Office and requesting its retention. The Petitioners express particular concern about the Post Office box they have had for over 30 years. These concerns were considered by the Postal Service.

The Postal Service explained that services provided by the Post Office such as the sale of stamps, envelopes, postal cards and money orders will be provided by the

¹⁰ FD at 2-11; Item No. 33, Proposal, at 2-10; Item No. 41, Revised Proposal, at 2-11.

¹¹ Item No. 16, Community Survey Sheet.

¹² FD at 10; Item No. 33, Proposal, at 10; Item No. 41, Revised Proposal, at 11.

¹³ FD at 2-11.

carrier to a roadside mailbox located close to customer residences. FD at 3, 7; Item No. 41, Revised Proposal, at 3. Most transactions do not require meeting the carrier at the mailbox. Stamps by Mail and Money Order Application forms are available for customer convenience. FD at 7; Item No. 41, Revised Proposal at 4. Special services such as certified, registered, Express Mail, delivery confirmation, signature confirmation, and COD may be obtained from the carrier as well by leaving a note in the mailbox along with the appropriate payment. FD at 8; Item No. 41, Revised Proposal, at 7.

Rural carriers will also deliver packages that fit into customer mailboxes. If the packages do not fit in the mailbox, the carrier will deliver packages up to ½ mile off the line of travel at a designated place (such as on a porch or under a carport). In addition, customers may contact the administrative Post Office if they have packages for pick up by the carrier. FD at 4; Item No. 41, Revised Proposal, at 4. The carrier will accept letters, flats, or packages up to 13 ounces for mailing. The carrier will estimate the cost and provide a receipt for any money received. FD at 4; Item No. 41, Revised Proposal, at 4. On the following delivery day, the carrier will provide change or a bill for the amount over the estimate. FD at 4; Item No. 41, Revised Proposal, at 4. Packages over 13 ounces may be picked up if the postage is printed online or with a traceable meter.¹⁴ FD at 4; Item No. 41, Revised Proposal, at 4.

Services regarding accountable mail and large parcels can also be obtained from the carrier. The carrier will attempt delivery to customer residences up to ½ mile from

¹⁴ A rural carrier is permitted to pick up a package weighing 13 ounces or more if the package is shipped by a known customer, does not have stamps applied, and includes a return address that matches the pick-up point. It is not necessary for customers to meet the carrier to utilize this service, as customers have the option of placing the package and payment in their delivery receptacle for pick-up by the carrier.

the carrier's line of travel. FD at 7; Item No. 41, Revised Proposal, at 7. If the customer is more than ½ mile away or is not at home when delivery is attempted, a notice will be left in the mailbox and the item will be taken back to the Pineville Post Office. FD at 7; Item No. 41, Revised Proposal, at 7. The customer then has the option to pick up the item at the Post Office, request redelivery, or authorize delivery to another person.

Carrier service alleviates the need for customers to travel to another post office to receive mail or obtain retail services, thereby making it extremely beneficial for senior citizens and disabled customers who face special challenges. As previously mentioned, delivery and retail services will be provided by the carrier to a roadside mailbox close to customer's residences. FD at 4; Item No. 41, Revised Proposal, at 4. Moreover, special provisions are made for hardship cases and special customer needs.¹⁵ FD at 4; Item No. 41, Revised Proposal, at 4.

Petitioners mention in their letter of appeal that they have had a Post Office box at the Lanagan Post Office for over 30 years. To the extent that customers prefer post office box service in lieu of rural delivery, the Postal Service explained that customers may apply to receive Post Office box service from the Pineville Post Office. The Pineville Post Office is located six miles away and has 226 Post Office boxes available for rent with 24-hour access.¹⁶ In addition, there are three other post offices located

¹⁵ Changes in the type of delivery are considered where service by existing methods would impose an extreme physical hardship for an individual customer. Upon written request, delivery can be made to the home of the customer. FD at 9; Item No. 41, Revised Proposal, at 10.

¹⁶ Item No. 18, Fact Sheet.

within a seven mile radius for customer convenience.¹⁷ FD at 2; Item No. 41, Revised Proposal, at 2.

Petitioners further request that the Lanagan Post Office be relocated to City Hall. However, the Final Determination at issue here concerns the discontinuance of the Lanagan Post Office, and not its relocation. The Postal Service explained that the discontinuance feasibility study was prompted by a postmaster vacancy. FD at 6; Item No. 41, Revised Proposal, at 6. After conducting a thorough feasibility study, the Postal Service determined that delivery and retail services provided by HCR delivery emanating from the Pineville Post Office is the most cost effective alternative for service to the Lanagan community.

The Postal Service has considered the impact of closing the Lanagan Post Office upon the provision of postal services to Lanagan customers. HCR delivery to mailboxes installed on the carrier's line of travel provides similar access to retail service, thereby alleviating the need to travel to the Post Office. FD at 2-5, 7-9, 11; Item No. 41, Revised Proposal, at 3-5, 7, 9-11. Thus, the Postal Service has properly concluded that all Lanagan customers will continue to receive regular and effective service via HCR delivery to mailboxes installed on the carrier's line of travel.

Effect Upon the Lanagan Community

The Postal Service is obligated to consider the effect of its decision to close the Lanagan Post Office upon the Lanagan community. 39 U.S.C. § 404(d)(2)(A)(i). While

¹⁷ The Anderson Post Office is also located just four miles away, and has 334 Post Office boxes available. The window service hours for the Anderson Post Office are 8:30 a.m. to 4:00 p.m., Monday through Friday, and from 8:30 a.m. to 10:30 a.m. Saturday. FD at 2; Item No.18, Fact Sheet; Item No. 41, Revised Proposal, at 2.

the primary purpose of the Postal Service is to provide postal services, the statute recognizes the substantial role in community affairs often played by local Post Offices, and requires consideration of that role whenever the Postal Service proposes to close or consolidate a Post Office.

Lanagan is an incorporated rural community located in McDonald County. The McDonald County Sheriff's Department provides police protection. The community is administered politically by the McDonald County Courthouse, with fire protection provided by the Lanagan Volunteer Fire Department. The questionnaires completed by Lanagan customers indicate that, in general, the retirees, farmers, commuters, and others who reside in Lanagan must travel elsewhere for other supplies and services. See generally FD at 8; Item No. 22, Returned customer questionnaires and Postal Service response letters.

The Petitioners raise concerns about the effect the discontinuance of the Lanagan Post Office will have on such a small town. Communities generally require regular and effective postal services, and these will continue to be provided to the Lanagan community. The Postal Service explained that a community's identity derives from the interest and vitality of its residents and their use of its name. FD at 3; Item No. 41, Revised Proposal, at 3. The Postal Service is helping to preserve community identity by continuing the use of the suspended Post Office name and ZIP Code in addresses and in the National Five-Digit ZIP Code and Post Office Directory. FD at 3; Item No. 41, Revised Proposal, at 3. The Postal Service also noted that residents may

continue to meet informally, socialize, and share information at the other businesses, churches and residences in town. FD, at 9; Item No, 41, Revised Proposal, at 10.

In addition, the Postal Service has concluded that nonpostal services provided by the Lanagan Post Office can be provided by the Pineville Post Office. Government forms usually provided by the Post Office are also available by contacting local government agencies. FD at 9; Item No. 41, Revised Proposal, at 9. Thus, the Postal Service has met its burden, as set forth in 39 U.S.C. § 404(d)(2)(A)(i), by considering the effect of closing the Lanagan Post Office on the community served by the Lanagan Post Office.

Economic Savings

Postal officials also properly considered the economic savings that would result from the proposed closing, as provided under 39 U.S.C. § 404(d)(2)(A)(iv). The Postal Service estimates that HCR service would cost the Postal Service substantially less than maintaining the Lanagan Post Office and would still provide regular and effective service. Item No. 21, Letter to Customer, at 1. The estimated annual savings associated with discontinuing the Lanagan Post Office are \$37,304.00. FD at 10; Item No. 41, Revised Proposal, at 11. Economic factors are one of several factors that the Postal Service considered, and economic savings have been calculated as required for discontinuance studies, which is noted throughout the administrative record, consistent with the mandate in 39 U.S.C. § 404(d)(2)(A)(iv). FD, at 10; Item No. 41, Revised Proposal, at 11.

The Postal Service determined that carrier service is more cost-effective than maintaining the Lanagan postal facility and postmaster position. FD at 10. The Postal Service's estimates are supported by record evidence, in accordance with the Postal Service's statutory obligations. The Postal Service, therefore, has considered the economic savings to the Postal Service resulting from such a closing, consistent with its statutory obligations and Commission precedent. See 39 U.S.C. § 404(d)(2)(A)(iv).

Effect on Employees

As documented in the record, the impact on postal employees is minimal. The postmaster retired on October 2, 2011. A noncareer employee was installed as the temporary officer-in-charge (OIC). Upon implementation of the final determination, the noncareer OIC may be separated from the Postal Service; however attempts will be made to reassign the employee to a nearby post office.¹⁸ The record shows that no other employee would be affected by this closing. FD, at 10-11; Item No. 15, Post Office Survey Sheet, at 1; Item No. 41, Revised Proposal, at 11. Therefore, in making the determination, the Postal Service considered the effect of the closing on the employees at the Lanagan Post Office, consistent with its statutory obligations. See 39 U.S.C. § 404(d)(2)(A)(ii).

¹⁸ FD at 11; Item No. 15, Post Office Survey Sheet, at 1; Item No. 41, Revised Proposal, at 11.

Conclusion

As reflected throughout the administrative record, the Postal Service has followed the proper procedures and carefully considered the effect of closing the Lanagan Post Office on the provision of postal services and on the Lanagan community, as well as the economic savings that would result from the proposed closing, the effect on postal employees, and other factors, consistent with the mandate of 39 U.S.C. § 404(d)(2)(A).

After taking all factors into consideration, the Postal Service determined that the advantages of discontinuance outweigh the disadvantages. In addition, the Postal Service concluded that after the discontinuance, the Postal Service will continue to provide effective and regular service to Lanagan customers. FD at 11. The Postal Service respectfully submits that this conclusion is consistent with and supported by the administrative record and is in accord with the policies stated in 39 U.S.C. § 404(d)(2)(A). The Postal Service's decision to close the Lanagan Post Office should, accordingly, be affirmed.

The Postal Service respectfully requests that the determination to close the Lanagan Post Office be affirmed.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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